



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

April 05, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
MARTIN LUTHER KING, JR. MEDICAL CAMPUS
CHILD AND FAMILY WELLBEING CENTER PROJECT
APPROVE REVISED PROJECT BUDGET
APPROVE APPROPRIATION ADJUSTMENT
APPROVE CONSTRUCTION CHANGE ORDERS
CAPITAL PROJECT NOS. 69846, 69886, 69887, 69888, AND 69986
(FISCAL YEAR 2021-22)
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to revise the project budget and execute two construction change orders with gkkworks Construction Services, for the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the environmental impacts analyzed in the previously certified Environmental Impact Report and Addendum for the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center Project.
2. Approve the revised project budget of \$54,267,000, an increase of \$2,727,000 from the previous Board-approved amount of \$51,540,000, for the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center Project.

3. Approve the Fiscal Year 2021-22 appropriation adjustment to reallocate a combined total of \$2,727,000 to fund the remaining project expenditures of the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center Project.
4. Approve and authorize the Director of Public Works or his designee to finalize and execute two change orders with gkkworks Construction Services for a \$1,941,000 not-to-exceed amount, for additional welding and steel shim plates on the prefabricated modular units, and for a \$495,000 not-to-exceed amount for preparation of the steel for weld seams on the prefabricated modular units.
5. Approve the revised project scope to include an 800-square-foot outdoor play area for the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that they are within the scope of the environmental impacts analyzed in the previously certified Addendum and the Final Environmental Impact Report (FEIR); approve the revised project budget and associated appropriation adjustment; authorize Public Works to execute two change orders with gkkworks Construction Services for unforeseen conditions encountered during installation of the prefabricated modular units; and approve project scope modifications to include a new outdoor play area.

Background

On December 18, 2018, the Board established the Martin Luther King, Jr. Medical Campus Child and Family Wellbeing Center (MLK CFWC) Project, and on April 23, 2019, approved the project and the use of Board-approved Job Order Contract to deliver the make-ready work. On October 1, 2019, the Board approved the total project budget of \$51,540,000 for the MLK CFWC Project, and authorized Public Works to execute a design-build agreement to the best-value and most qualified bidder, gkkworks, to provide design and construction services for a maximum contract sum of \$25,757,945. On July 21, 2020, the Board approved a change order for \$410,000 to gkkworks to mitigate unforeseen saturated soil conditions found on site. Construction of the MLK CFWC Project is approximately 85 percent complete and is expected to be substantially completed in August 2022.

Unforeseen Conditions with Modular Units

The MLK CFWC Project's structure is composed of prefabricated modular units that were purchased by the Department of Mental Health (DMH) through Internal Services Department. The units were delivered on site by the vendor and gkkworks, through a design-build agreement with Public Works, was to receive and assemble the units. During the installation of the modular units, gkkworks encountered unforeseen conditions, including out of plumb units and missing structural reinforcements to support the horizontal and vertical connection between the modular units. These unforeseen conditions required gkkworks to carry out scope outside of their contract.

Recommended Change Orders

The proposed change order with gkkworks for a \$1,941,000 not-to-exceed amount will cover the cost of additional structural welding and installation of shim plates at the modular joint lines at the horizontal and vertical connections, modifications to the steel framing in the modules, additional craning to set the oversized concrete roof panels at portions of the First and Second Floors, and additional crane time to install the modular units.

The proposed change order with gkkworks for a \$495,000 not-to-exceed amount will allow cover the cost to prepare the steel beams for welding at the modular joint lines at the foundation and the upper floors and install three prefabricated staircases delivered in sections that extend from the First Floor to the Third Floor and roof level. The preparation of the steel beams for the weld includes grinding the edge of the beam to create a beveled groove at the modular joint lines to allow for welding the modular units together.

In addition to the two proposed change orders listed above, gkkworks encountered other deficiencies with the modular units requiring additional work. The added scope included modifications to the structural steel framing at the atrium, modifications to the framing of interior partitions throughout the building, installation of a moisture control barrier on the First Floor concrete slab, and additional floor leveling on all three floors to meet the code required floor slope tolerances. The combined cost of this additional scope is estimated at \$264,000. Public Works will execute these change orders under delegated authority upon the Board's approval of the revised project budget.

Proposed Outdoor Play Area

The proposed 800-square-foot outdoor play area will be located on the west side of the building, and will include play equipment and resilient play surfaces, to accommodate the families and children while they wait for their appointments. The estimated cost of the outdoor play area is \$93,000.

Green Building/Sustainable Design Program

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Design policy. The project is designed to achieve the United States Green Building Council Leadership in Energy and Environmental Design Gold level and Envision Silver level certifications by incorporating sustainable design features to optimize energy and water use efficiency, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy II.1, Drive Economic and Workforce Development in the County; Strategy II.2, Support the Wellness of our Communities; and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by supporting the wellness of our communities and enhancing the delivery of healthcare services that will in turn benefit the common good by driving the development of the workforce and the economic development of the County.

FISCAL IMPACT/FINANCING

Approval of the recommended actions will increase the previous Board-approved project budget from \$51,540,000 to \$54,267,000, an increase of \$2,727,000. The revised project budget includes programming, predevelopment activities, make-ready work, scoping documents, plans and specifications, permit fees, construction, construction change order allowance, Civic Art fee, consultant services, inspection services, and County services. The revised project budget of \$54,267,000 also includes the \$18,201,000 cost of the modular units purchased by DMH with State Mental Health Services Act funds. The revised project budget and schedule are included in Enclosure A.

The proposed budget increase in the amount of \$2,727,000 will provide additional funding to cover the cost of the proposed two change orders with gkkworks for a combined not to exceed amount of \$2,436,000; the change orders that will be executed under Public Works' delegated authority for a \$264,000 not-to-exceed amount; and the remaining \$27,000 will offset a portion of the cost of the new outdoor play area.

Funding is being provided by each participating department based on their specific allocation of space programmed within each floor of the facility. Based on the program and space allocation, the percentage of costs for the First Floor is as follows: Department of Health Services (DHS) – 53.3 percent, Department of Mental Health (DMH) – 26.9 percent, Department of Children and Family Services (DCFS) – 18.3 percent, and Department of Public Health (DPH) – 1.5 percent.

The Chief Executive Office completed lease negotiations with two non-profit organizations, the Special Needs Network and St. John's Well Child Center for the space on the Second Floor, funded by Tobacco Settlement funds. A portion of the capital costs funded by Tobacco Settlement funds will be offset through the collection of lease revenue from the two non-profit organizations.

The Third Floor will no longer be occupied by DPH as previously planned. Under a separate project, the DMH will renovate the Third Floor to house the Children's Outpatient Services currently located in the Hawkins Building and a new Youth Crisis Stabilization Unit Program funded by a California Health Facilities Financing Authority grant.

The total estimated cost of the proposed play area is \$93,000, funded by Second Supervisorial District funding, in the amount of \$65,000, and the balance of \$28,000 to be covered within the project's budget.

Approval of the enclosed Fiscal Year 2021-22 appropriation adjustment (Enclosure B) will reallocate a total of \$2,727,000 as follows: \$623,000 from DHS' Enterprise Fund Committed for DHS to MLK CFWC-DHS, C.P. No. 69846; \$1,037,000 from the Mental Health Services Act and the Committed for Budget Uncertainties account to MLK CFWC-DMH, C.P. No. 69886; \$214,000 from DCFS' Administration Services and Supplies to MLK CFWC-DCFS, C.P. No. 69888; \$18,000 from DPH's completed capital projects savings, C.P. No. 87426 to MLK MC CFWC-DPH, C.P. No. 69986; and \$835,000 from the Committed for Health Services Tobacco Settlement to MLK CFWC-CEO, C.P. No. 69887, to fully fund the remaining project expenditures for the MLK CFWC Project.

Operating Budget Impact

Following completion of the project, the respective departments will fund the ongoing annual operating costs as follows:

- DHS will fund the associated ongoing annual maintenance and operational costs with departmental resources, as needed, in future budget phases.
- DMH will fund the associated ongoing annual maintenance and operational cost with State and Federal revenues and intrafund transfer from DCFS.
- DCFS will fund the associated maintenance and operational costs with existing budgetary resources from its operating budget.
- Ongoing operational costs for DPH will be funded by DCFS through intra departmental transfer.

Funding will be requested through the annual budget process. There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy, the project budget includes one percent of the design and construction costs to be allocated to the Civic Art fund. The eligible allocation is revised from \$270,000 to \$297,000.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy, the project continues to require that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

Section 20137 of the Public Contract Code allows the Board, with a four-fifths vote, to authorize an individual change order to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. The two proposed change orders are less than 10 percent of the original contract sum and are, therefore, within the statutory threshold.

ENVIRONMENTAL DOCUMENTATION

On October 11, 2011, the Board certified the FEIR for the Martin Luther King, Jr. Medical Center Campus Redevelopment Project. On April 23, 2019, the Board certified an Addendum to the FEIR for the Martin Luther King, Jr. Medical Center Campus Redevelopment Project when it approved the MLK CFWC Project. The recommended actions are within the scope of the impacts analyzed in the previously certified Addendum to the FEIR, and there have been no substantial changes to the project or to the circumstances under which it will be undertaken that require further review under the California Environmental Quality Act. The recommended change orders comprise of welding and steel work that refine details for the construction of the building, which were approved and analyzed in the previous Addendum to the FEIR. The previously certified Addendum to the FEIR included open space areas within the MLK CFWC for the patients, staff, and visitors and is consistent with the added scope of the 800-square-foot play area. The previously approved Mitigation Monitoring and Reporting Program and the Environmental Findings of Fact and Statement of Overriding Considerations will continue to apply.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152 (a) of the California Public Resources Code and will post the Notice of Determination to its website pursuant to Section 21092.2.

The previously certified Environmental Impact Report, Addendum, and related environmental documentation is available and can be viewed online at https://ftp.pw.lacounty.gov:8443/pub/pmd/MLK_CFWC_EIR. The location and custodian of the environmental documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is with the Section Head at Public Works Project Management Division I, 900 South Fremont Avenue, Fifth Floor, Alhambra, CA 91803.

CONTRACTING PROCESS

On October 1, 2019, the Board authorized the award of a design-build agreement to gkkworks for a \$24,757,945 not-to-exceed amount, plus a \$500,000 design completion allowance, and a \$500,000 ground lease allowance for a maximum not-to-exceed contract sum of \$25,757,945. To date, Public Works has executed 5 design completion allowance contract amendments in the amount of \$428,416 and, under delegated authority, has executed 14 change orders in the amount of \$294,909, for a combined total amount of \$723,325 or 2.9 percent of the original contract sum.

The proposed two change orders for a \$1,941,000 and \$495,000 not-to-exceed amount represent 7.8 and 2 percent, respectively, of the original contract sum of \$24,757,945 and, when executed, will increase the contract sum to \$27,917,270.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current services at the campus. Patient care services on campus will remain fully operational during construction.

CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,



MARK PESTRELLA, PE

Director

MP:LR:jc

Enclosures

- c: Department of Arts and Culture
- Chief Executive Office (Capital Programs Division)
- Department of Children and Family Services
- County Counsel
- Executive Office
- Department of Health Services (Capital Projects Division)
- Department of Mental Health
- Department of Public Health

April 5, 2022

CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
MARTIN LUTHER KING, JR. MEDICAL CAMPUS
CHILD AND FAMILY WELLBEING CENTER PROJECT
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APPROVE CONSTRUCTION CHANGE ORDERS
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(FISCAL YEAR 2021-22)
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)

I. PROJECT SCHEDULE SUMMARY

Project Activity	Scheduled Completion Date
Make-Ready	
Construction Documents	05/28/2019 (actual)
Jurisdictional Approvals	06/25/2019 (actual)
Construction Award	06/26/2019 (actual)
Substantial Completion	11/13/2019 (actual)
Design-Build Construction	
Scoping Documents	04/15/2019 (actual)
Design-Build Award	10/24/2019 (actual)
Jurisdictional Approvals	04/01/2020 (actual)
Modular Units Completion	11/17/2020 (actual)
Substantial Completion	08/13/2022
Project Acceptance	10/13/2022

II. PROJECT BUDGET SUMMARY

Project Budget Category	Board Approved Budget	Changes Since Previous Board Approved Budget	Revised Budget
Hard Costs			
Design-Build Construction	\$22,184,000	\$ 0	\$22,184,000
Make Ready/Utilities Construction	\$ 1,256,000	(\$ 292,000)	\$ 964,000
Contingency/Allowances	\$ 2,020,000	\$3,142,000	\$ 5,162,000
Construction Subtotal	\$25,460,000	\$2,850,000	\$28,310,000
Civic Art	\$ 270,000	\$ 27,000	\$ 297,000
Hard Costs Subtotal	\$25,730,000	\$2,877,000	\$28,607,000
Soft Costs			
Plans and Specifications (Scoping Documents)	\$ 834,000	\$ 0	\$ 834,000
Plans and Specifications (Design Build Design Fee)	\$ 2,574,000	\$ 0	\$ 2,574,000
Consultant Services	\$ 840,000	\$ 490,000	\$ 1,330,000
Miscellaneous Expenditures	\$ 80,000	\$ 0	\$ 80,000
Jurisdictional Review/Plan Check/Permits	\$ 930,000	(\$ 490,000)	\$ 440,000
County Services	\$ 2,351,000	(\$ 150,000)	\$ 2,201,000
Soft Costs Subtotal	\$ 7,609,000	(\$ 150,000)	\$ 7,459,000
SUBTOTAL (excluding modular)	\$33,339,000	\$2,727,000	\$36,066,000
Prepurchased Modules (Department of Mental Health)	\$18,201,000	\$ 0	\$18,201,000
TOTAL PROJECT COST	\$51,540,000	\$2,727,000	\$54,267,000

PINK

BA FORM 11162021

ENCLOSURE B

April 5, 2022

BOARD OF SUPERVISORS

OFFICIAL COPY

April 05, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2021-22

4 - VOTES

SOURCES

BA DETAIL - SEE ATTACHMENT PAGE 1

USES

BA DETAIL - SEE ATTACHMENT PAGE 1

SOURCES TOTAL

\$ 5,010,000

USES TOTAL

\$ 5,010,000

JUSTIFICATION

Reflects an increase in appropriation offset by revenue to fund the total budget shortfall of \$2,727,000 for the MLK Child and Family Wellbeing Center, funded as follows: Committed for Health Services-Tobacco Settlement - \$835,000, DHS Enterprise Fund-Committed for DHS Health Services - \$623,000, DMH Mental Health Services Act - \$1,037,000, DCFS Administration Services and Supplies - \$214,000, and DPH capital project savings (CP No. 874261) - \$18,000.

James Yun

Digitally signed by James Yun
Date: 2022.03.01 16:16:44
-08'00'

AUTHORIZED SIGNATURE

JAMES YUN, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR—

☐ ACTION

☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

Lan Sam

Digitally signed by Lan Sam
Date: 2022.03.16 17:49:00
-07'00'

DATE

March 16, 2022

B.A. NO. 183

☒

APPROVED AS REQUESTED

☐

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

Amir Alam

Digitally signed by Amir Alam
Date: 2022.03.17 11:07:32
-07'00'

DATE

3/17/2022

April 5, 2022

**COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT**

FY 2021-22

4 - VOTES

SOURCES

USES

GENERAL FUND		HEALTH SERVICES	
A01-3096		MLK MC CHILD AND FAMILY WELLBEING CENTER - CEO	
COMMITTED FOR HEALTH SERVICES-TOBACCO SETTLEMENT		A01-CP-6014-65036-69887	
DECREASE OBLIGATED FUND BALANCE		CAPITAL ASSETS - B & I	
	835,000	INCREASE APPROPRIATION	835,000
DHS ENTERPRISE FUND		DHS ENTERPRISE FUND	
MN2-3078		MN2-HS-6100-60070	
COMMITTED FOR DHS		OTHER FINANCING USES	
DECREASE OBLIGATED FUND BALANCE		INCREASE APPROPRIATION	
	623,000		623,000
HARBOR CARE SOUTH ENTERPRISE FUND		HARBOR CARE SOUTH ENTERPRISE FUND	
MN1-HH-96-9911-60020		MN1-HH-96-9912-60020	
OPERATING TRANSFERS IN		OPERATING SUBSIDY - GENERAL FUND	
INCREASE REVENUE		DECREASE REVENUE	
	623,000		623,000
ENT SUB - HARBOR CARE SOUTH		MARTIN LUTHER KING JR. OUTPATIENT CENTER	
A01-AC-6100-21200-21226		MLK MC CHILD AND FAMILY WELLBEING CENTER-HS	
OTHER FINANCING USES		A01-CP-6014-64020-69846	
DECREASE APPROPRIATION		CAPITAL ASSETS - B & I	
	623,000	INCREASE APPROPRIATION	623,000
CHILDREN AND FAMILY SERVICES - ADMINISTRATION		HEALTH SERVICES	
A01-CH-2000-26200		MLK MC CHILD AND FAMILY WELLBEING CENTER - DCFS	
SERVICES & SUPPLIES		A01-CP-6014-65036-69888	
DECREASE APPROPRIATION		CAPITAL ASSETS - B & I	
	214,000	INCREASE APPROPRIATION	214,000
MENTAL HEALTH SERVICES ACT (MHSA) FUND		MENTAL HEALTH SERVICES ACT (MHSA) FUND	
BT1-3047		BT1-MH-6100-41189	
COMMITTED FOR BUDGET UNCERTAINTIES		OTHER FINANCING USES	
DECREASE OBLIGATED FUND BALANCE		INCREASE APPROPRIATION	
	1,037,000		1,037,000
MENTAL HEALTH		MENTAL HEALTH	
MLK MC CHILD AND FAMILY WELLBEING CENTER-DMH		MLK MC CHILD AND FAMILY WELLBEING CENTER-DMH	
A01-CP-96-9919-65039-69886		A01-CP-6014-65039-69886	
OPERATING TRANSFERS IN - CAPITAL PROJECTS		CAPITAL ASSETS - B & I	
INCREASE REVENUE		INCREASE APPROPRIATION	
	1,037,000		1,037,000
PUBLIC HEALTH		PUBLIC HEALTH	
VARIOUS PUBLIC HEALTH CENTERS REFURBISHMENT		MLK CHILD AND FAMILY WELLBEING CENTER-DPH	
A01-CP-6014-65058-87426		A01-CP-6014-65058-69986	
CAPITAL ASSETS - B & I		CAPITAL ASSETS - B & I	
DECREASE APPROPRIATION		INCREASE APPROPRIATION	
	18,000		18,000
SOURCES TOTAL	\$ 5,010,000	USES TOTAL	\$ 5,010,000